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STORAGE LEASE

THE PORT OF PORTLAND

AND

WESTERN WIRE WORKS, INC.

COMMENCEMENT DATE: NOVEMBER 12, 1996

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EXHIBITS

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STORAGE LEASE

This **STORAGE LEASE** (this "Lease"), effective the 19th day of November, 19 96, is between **THE PORT OF PORTLAND**, a Port district of the State of Oregon (the "Port") **WESTERN WIRE WORKS, INC.**, a corporation organized under the laws of the State of Oregon ("Lessee").

The parties, intending to be legally bound by the terms of this Lease, agree as follows:

1 - AGREEMENT TO LEASE

1.1 Agreement to Lease and Description of Property. The Port leases to Lessee and Lessee leases from the Port approximately 8,925 square feet of storage space in a building commonly known as House 106, located at Terminal 1, 1930 NW Front Avenue, Portland, Oregon, as approximately shown on Exhibit "A," attached hereto (the "Premises").

1.2 Use of Premises.

1.2.1 Permitted Use. Lessee may use the Premises only as storage space for machinery and equipment used in the production of fabricated metal wire products such as: welding machines, press brakes, straight cut machines, punch presses, bending machines, presses, cutting machines, and metal racks. Before being stored on the Premises, the machinery and equipment must be completely drained of any fluids and placed on wooden blocks. Absolutely no other use may be made of the Premises without the prior written consent of the Port.

1.3 Full Disclaimer. The warehouse space being leased "AS IS." Lessee has been advised that the warehouse is in poor condition; the floors are uneven and the roof leaks. Lessee understands that portions of House 106 in which the Premises are located are leased to other tenants. Therefore, Lessee does not have exclusive use of or control over access to the building. In addition, the Port provides no security services for House 106 or Terminal 1. Lessee has thoroughly inspected the Premises and has been informed of all of the above. Lessee agrees absolutely that it is leasing at its own risk and that the Port shall have no responsibility whatsoever for any loss, theft of or damage to any of Lessee's property stored on the Premises. The Premises are not a suitable place for long term occupancy. Lessee agrees that Lessee's employees and owners shall not work in the Premises and will only enter the Premises periodically to check on the condition of the stored equipment or to remove or place additional equipment into the Premises.

2 - TERM

2.1 Term. The term of this Lease ("Lease Term") shall commence on November 12 ¹⁹11/2/96 1996 (the "Commencement Date") and shall continue through April 30, 1997 ("Initial Term"). Upon expiration of the Initial Term, if Lessee is not in Default of this Lease, Lessee may extend

the term of this Lease on a month-to month basis for a period of up to six (6) months unless terminated by either party on not less than thirty (30) days written notice, or unless sooner terminated pursuant to the terms of this Lease.

3 - RENT

3.1 Basic Rent, Additional Rent and Rent. Lessee shall pay Rent (as hereinafter defined) to the Port as provided in Section 3.1.1 and as adjusted in Section 3.2.1.

3.1.1 "Basic Rent". "Basic Rent" shall be ONE THOUSAND THREE HUNDRED AND FORTY DOLLARS (\$1,340) per month during the Initial Term and ONE THOUSAND FIVE HUNDRED AND THIRTY DOLLARS (\$1,530) per month for the month-to-month period following the Initial Term.

3.1.2 "Additional Rent" and "Rent". All other sums which become payable by Lessee to the Port under this Lease shall be considered "Additional Rent." "Rent," as used in this Lease, shall mean Additional Rent and Basic Rent.

3.1.3 Prepayment of Rent. Basic Rent for the first month shall be paid upon execution of this Lease. If the Commencement Date occurs on a day other than the first day of a calendar month, Rent for that partial calendar month shall be prorated based on the number of days remaining in the

3.2 Rent Payments. Lessee shall pay Rent to the Port in advance on or before the first day of each calendar month.

3.2.1 Mailing Address; No Offset. Payment of Rent and other amounts due under this Lease shall be made without offset, abatement or deduction, to the Port at the following address or such other place as the Port may designate:

The Port of Portland
Unit 27
P.O. Box 4900
Portland, Oregon 97208-4900

3.2.2 Delinquency Charge. All Rent and other amounts not paid when due shall bear a delinquency charge of eighteen percent (18%) per annum or the maximum rate of interest allowed by law, whichever is less (the "Delinquency Charge"). Such interest shall be charged from the date due until the Rent and the Delinquency Charge are both paid in full. This Delinquency Charge is subject to periodic change, at the Port's sole discretion. No change shall occur, however, without at least thirty (30) days prior written notice to Lessee. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to the Port for failure to timely pay Rent.

3.3 Acceptance of Rent. The Port's acceptance of a late or partial payment of Rent and/or a Delinquency Charge shall not constitute a waiver of any Event of Default (as hereinafter defined) nor shall it prevent the Port from exercising any of its other rights and remedies granted to the Port under this Lease or by law. It is hereby agreed that any endorsements or statements on checks of waiver, compromise, payment in full or any other similar restrictive endorsement shall have no legal effect. Lessee shall remain in default and obligated to pay all Rent due even if the Port has accepted a partial or late payment of Rent. Notwithstanding the foregoing, if no other Event of Default exists and Lessee pays all Rent to the Port in full, plus all delinquencies, and Lessee has not been late more than twice in its monthly payment of Rent during the Lease Term, then acceptance of such payment, in full, by the Port, shall be deemed to have cured that Default.

3.4 Security Deposit. In addition to payments of Basic Rent, Lessee shall deposit with the Port, upon execution of this Lease, cash in the amount of THREE THOUSAND DOLLARS (\$3,000.00) (the "Deposit"). The Deposit shall not be considered to be held in Trust by the Port for the benefit of Lessee and shall not be considered an advance payment of Rent or a measure of the Port's damages in the Event of a Default (defined in Section 10.1) by Lessee. The Deposit may be commingled or kept in a separate account at the option of the Port. The Port may, but shall not be obligated to, use the Deposit to pay Rent or other sums owed by Lessee to the Port or to reimburse the Port for any other amounts which the Port may expend or incur by reason of Lessee's failure to perform any of its obligations under this Lease. If the Port does apply any of the Deposit to any of the above, Lessee shall, immediately upon demand, replenish the Deposit to its original full amount. If Lessee fully performs all of its obligations under this Lease, any balance remaining of the Deposit (plus interest earned thereon) shall be returned to Lessee within thirty (30) days after expiration of this Lease and delivery of the Premises to the Port, as required under this Lease. If any question exists concerning Lessee's full compliance with the Lease, the Port shall be entitled to retain the Deposit until the Port is fully satisfied that there has been no breach of the Lease, even if it takes the Port longer than thirty (30) days after expiration of the Lease and return of the Premises to make such a determination to the Port's satisfaction.

3.5 Taxes. Lessee shall pay all taxes and assessments of any public authority levied against the Premises or upon any taxable interest of Lessee acquired pursuant to this Lease or any taxable possessory right Lessee may have in or to the Premises or the Improvements located thereon, as well as all taxes on all taxable property, real or personal, owned by Lessee in or about the Premises, including any other tax or charge levied wholly or partly in lieu thereof. Lessee shall make all payments on or before the date payment is due ("Due Date"). Lessee shall also be allowed to contest the validity of any assessment on the Premises so long as monies sufficient to pay the taxes are paid to the taxing authority on or before the due date. Lessee understands and agrees that should this Lease expire after June 30, 1997, Lessee will nonetheless be responsible to pay taxes assessed for the entire 1997/98 tax year (currently, July 1, 1997 through June 30, 1998).

3.5.1 County as Third Party Beneficiary. Lessee agrees that the county to which Lessee is obligated to pay property taxes on account of this Lease or Lessee's possession or use of the Premises shall be an intended third party beneficiary of Lessee's obligation under this Lease to pay such taxes, and may, with the Port's prior written consent, enforce such obligation directly, by

an action for a money judgment, without affecting any right or remedy available under this Lease or otherwise. No rights of the county under this Section shall be construed to affect or limit the Port's ability to alter, amend, delete, rescind, or add any provision in this Lease, to enforce or waive enforcement of any of its terms, or to substitute or release any party to this Lease, without notice to any county. See the Notice to Tenants, attached to this Lease as Exhibit B.

4 - LESSEE'S OTHER OBLIGATIONS

4.1 **Construction of Improvements.** Lessee shall make no alterations or additions to the Premises. Lessee shall, however, be permitted to install temporary security fencing around its property stored on the Premises. The Port encourages the installation of such security fencing because there will be no security provided by the Port for Lessee's property and the leased Premises cannot otherwise be secured. At the termination of this Lease, Lessee shall remove any security fencing it has installed.

4.2 Maintenance.

4.2.1 **General.** The Premises are leased "AS IS" and the Port has no maintenance responsibilities. The roof leaks and the Port will not repair it.

4.2.2 **Maintenance Standards.** Lessee shall regularly and consistently maintain the Premises at all times in a clean, orderly condition. Notwithstanding Section 9 herein, Lessee shall have no other maintenance responsibilities.

4.3 **No Liens.** Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been provided or ordered with Lessee's consent to the Premises. If any lien is filed against the Premises which Lessee wishes to protest, then Lessee shall immediately deposit cash with the Port, or procure a bond acceptable to the Port, in an amount sufficient to cover the cost of removing the lien from the Premises. Failure to remove the lien or furnish the cash or bond acceptable to the Port within ten (10) days shall constitute an Event of Default under this Lease and the Port shall automatically have the right, but not the obligation, to pay the lien off with no notice to Lessee and Lessee shall immediately reimburse the Port for any sums so paid to remove any such lien. Lessee shall not encumber the Premises or any Improvements thereon without prior written approval of the Port.

4.4 **Utilities.** No utility services are provided by the Port to the Premises under the terms of this Lease. Under no circumstances shall Lessee connect to any of the electrical or water utility lines contained within the building.

4.5 **Signs.** Lessee shall not erect, install, nor permit upon the Premises any sign or other advertising device without first having obtained the Port's written consent, which the Port may withhold in its sole discretion. Lessee shall remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless the Port elects to retain all or any portion of the signage.

4.6 Compliance with Laws.

4.6.1 General. Lessee and Lessee's officers, employees, invitees, agents and contractors shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, including laws governing its relationship with its employees, including but not limited to laws, rules, regulations and policies concerning Workers' Compensation, and minimum and prevailing wage requirements; laws, rules and regulations and policies relative to occupational safety and health (OSHA rules and regulations); all federal, state, regional and local environmental laws (including DEQ rules and regulations); and ordinances and rules adopted by the Port Commission.

4.7 Fire Safety. Lessee shall exercise due and reasonable care and caution to prevent fire on the Premises.

5- PORT AUTHORITY AND OBLIGATIONS

5.1 Delivery of Property. Lessee shall have the right to possession of the Premises as of the Commencement Date.

5.2 Condition of Property. The Port makes no warranties or representations regarding the condition of the Premises, including, without limitation, the suitability of the Premises for Lessee's intended uses. Lessee has inspected and accepts the Premises in "AS IS" condition upon taking possession. The Port shall have no liability to Lessee, and Lessee shall have no claim against the Port, for any damage or injury caused by the condition of the Premises. The Port shall have no responsibility to bring the Premises into compliance with any laws, including, without limitation, any building or occupancy codes.

5.3 Port Access to Property. The Port shall have the right to enter upon the Premises at any time.

6- ENVIRONMENTAL OBLIGATIONS OF LESSEE

6.1 Definitions. For the purposes of this Lease, the following definitions shall apply:

6.1.1 "Environmental Laws." "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, State of Oregon and local statutes, regulations, rules permit terms, codes and ordinances now or hereafter in effect, as the same may be amended from time to time, which in any way govern materials, substances, regulated wastes, emissions, pollutants, animals or plants, noise or products and/or relate to the protection of health, natural resources, safety or the environment.

6.1.2 "Hazardous Substances." "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, emissions, pollutants, materials or products defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials or any other similar term in or under any Environmental Laws.

6.1.3 "Environmental Costs." "Environmental Costs" shall be interpreted in the broadest sense to include, but not be limited to, costs and damages arising from or relating to: (i) any actual or claimed violation of or noncompliance with any Environmental Law; (ii) claims for damages, response costs, fines, fees or other relief relating to matters addressed in any Environmental Law; (iii) injunctive relief relating to matters addressed in any Environmental Law; (iv) Hazardous Substance Releases (as defined below); and (v) violations of any environmental provisions of this Lease. Costs and damages as used in this Section relating to a Hazardous Substance Release or a violation of Environmental Laws, shall include but not be limited to: (a) costs of evaluation, testing, analysis, clean-up, remediation, removal, disposal, monitoring and maintenance; (b) costs of reporting to or negotiating with any government agency; (c) fees of attorneys, engineers, consultants, and experts, whether or not taxable as costs, incurred at, before or after trial, appeal or administrative proceedings; (d) lost revenue; and (e) diminution of value, loss, or restriction on use of property.

6.1.4 "Hazardous Substance Release." "Hazardous Substance Release" shall be interpreted in the broadest sense to include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking or placing of any Hazardous Substance into the air or into or on any land or waters, except as authorized by a then current permit issued under applicable Environmental Laws.

6.2 General Environmental Obligations of Lessee. Lessee shall manage and conduct all of its activities on or relating to the Premises (i) in compliance with all Environmental Laws and the environmental provisions of this Lease, (ii) in a manner designed to protect the environment, and (iii) in cooperation with the Port in the Port's efforts to comply with all Environmental Laws. Lessee shall ascertain which Environmental Laws govern its activities on or relating to the Premises and shall maintain a current understanding of such Environmental Laws throughout the Lease Term. Lessee shall manage, and as appropriate secure, the Premises and its occupation or use of the Premises so as to prevent any violation of Environmental Laws by any party on or relating to the Premises.

6.3 Hazardous Substances Liability. Lessee shall be liable for any Hazardous Substances Release which occurs during Lessee's occupancy of the Premises and is caused by Lessee, its partners, officers, directors, agents, contractors or invitees. Lessee shall also be liable for any Hazardous Substances Release on the Premises or on other properties or in the air or in adjacent or nearby waterways (including groundwater) as a result of or in connection with Lessee's use of the Premises which occurs during the Lease term or which occurs or continues after the Lease term.

6.4 Use of Hazardous Substances. No use, placement, handling, storage, generation, creation, disposal, transportation or discharge of any Hazardous Substances shall be permitted on, about or from the Premises.

6.5 Lessee's Liability for Environmental Costs. Except as provided in Section 6.6 Lessee shall be liable for all Environmental Costs arising under this Lease. Any Environmental Cost for which Lessee is obligated under this Lease shall be paid by Lessee on or before the date

such Environmental Costs are due. Any Environmental Cost incurred by, paid by or assessed against the Port, for which Lessee is responsible under this Lease, shall be paid by Lessee within thirty (30) days after the date of written notice or invoice from the Port.

6.6 Limitation on Lessee's Liability. Notwithstanding anything to the contrary provided in this Lease, Lessee shall have no liability for Hazardous Substances or Hazardous Substance Releases, or Environmental Costs arising therefrom, that (i) existed on the Premises prior to the Commencement Date of this Lease; (ii) were caused by the Port or the agents, employees or contractors of the Port after the Effective Date of this Lease or were caused by other tenants of House 106 or their agents, employees or contractors.

6.7 Environmental Inspection. The Port reserves the right, at any time, and from time to time, without notice to Lessee, to inspect the Premises and Lessee's operations on and use of the Premises: (i) for the presence of Hazardous Substances; (ii) for compliance with Environmental Laws or the environmental provisions of this Lease and (iii) to facilitate the Port's environmental management, permitting and analysis related to the Premises or any other property of the Port.

6.8 Notice to Port. Lessee shall promptly notify the Port upon becoming aware of (i) a violation or alleged violation of any Environmental Law related to the Premises or to Lessee's occupation or use of the Premises or any environmental provision of this Lease, (ii) any Hazardous Substance Release on, under or adjacent to the Premises or threat of or reasonable suspicion of any of the same, (iii) any notice or communication from a governmental agency or any other person directed to Lessee relating to any Hazardous Substance, Hazardous Substance Release or any violation or alleged violation of any Environmental Laws which relate to the Premises or to Lessee's occupation or use of the Premises, and (iv) any Hazardous Substance Release or violation of Environmental Law discovered by Lessee on property or in the air or water adjacent to the Premises.

6.9 Environmental Remediation.

6.9.1 Releases and Violations. In the event of a violation of an Environmental Law, a violation of an environmental provision of this Lease, or a Hazardous Substance Release, or the threat of or reasonable suspicion of the same for which Lessee is responsible under this Lease, Lessee shall immediately undertake all acts necessary or appropriate to cure or correct the violation or investigate, contain and stop the Hazardous Substance Release.

6.9.2 Remediation and Removal. Lessee shall promptly undertake all remedial and/or removal actions necessary or appropriate to ensure that any Hazardous Substance Release is eliminated and that any violation of any Environmental Law or environmental provision of this Lease is cured or corrected. Lessee shall remove, at Lessee's sole expense, all Hazardous Substances for which Lessee is liable under this Lease or under any Environmental Law, and shall restore the Premises or other affected property or water to its pre-contamination condition, in conformance with all applicable Environmental Laws. In the event that any remediation or removal required by this Lease cannot reasonably be completed prior to the termination or

expiration of this Lease, Lessee shall not be in Default of its remediation obligations so long as Lessee immediately commences all investigation, containment, remediation and removal activities within thirty (30) days (or sooner if required by Environmental Laws) and diligently and continuously pursues such activities until completion.

6.9.3 Report to the Port. Within thirty (30) days following completion of any investigatory, containment, remediation and/or removal action required by this Lease, Lessee shall provide the Port with a written report outlining in detail what has been done and the results thereof.

6.9.4 Port's Approval Rights. The Port shall have the right to approve all investigatory, containment, remediation and removal procedures and the company(ies) and/or individuals conducting such procedures which are required by this Lease or by any Environmental Laws whether on the Premises or any affected property or water. Lessee shall not initiate any risk assessment based remediation or closure without the prior written consent of the Port, which consent may be withheld or conditioned in the Port's sole discretion. The Port will have the right to require Lessee to request oversight from the Oregon Department of Environmental Quality ("DEQ") of any investigatory, containment, remediation and removal activities and/or require Lessee to seek a statement from DEQ of No Further Action.

6.10 Port's Right to Perform on Behalf of Lessee. In the event Lessee fails to perform any of its obligations under this Section 6 or any Environmental Laws, the Port shall have the right, upon giving Lessee seven (7) days written notice, to perform such obligations and charge Lessee all resulting Environmental Costs, together with interest, at the Delinquency Rate, from the date the expense is incurred by the Port until the date paid. The Port may not commence performance on behalf of Lessee under this Section, if during the seven (7) day period, Lessee promptly begins and diligently pursues to completion the performance of the obligation set forth in the Port's notice. In the event the Port determines that an emergency exists and the Lessee is either not available to take immediate and appropriate action or is unwilling or unable to take immediate and appropriate action, the Port may take whatever immediate action it deems necessary, and charge Lessee all resulting Environmental Costs, together with interest, at the Delinquency Rate, from the date the expense is incurred by the Port until the date paid.

7- INDEMNITY AND INSURANCE

7.1 General Indemnity. From and after the Commencement Date of this Lease, Lessee agrees to defend (using legal counsel acceptable to the Port), indemnify, and hold harmless the Port from and against any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, and/or penalties (collectively "Costs") which may be imposed upon or claimed against the Port and which, in whole or in part, directly or indirectly, arise from or are in any way connected with: (a) any act, omission or negligence of Lessee or Lessee's partners, officers, directors, agents, employees, invitees or contractors; (b) any use, occupation, management or control of the Premises by Lessee, whether or not due to Lessee's own act or omission and whether or not occurring on the Premises; (c) any condition created in or about the Premises by Lessee including any accident, injury or damage occurring on or about the Premises after the Commencement Date;

(d) any breach, violation or nonperformance of any of Lessee's obligations under this Lease; (e) any damage caused by Lessee on or to the Premises.

7.2 Environmental Indemnity. Without in any way limiting the generality of the foregoing Section 7.1 concerning General Indemnity, Lessee shall be solely responsible for and agrees to defend (using legal counsel acceptable to the Port), indemnify and hold harmless the Port from and against all Environmental Costs claimed against or assessed against the Port arising, in whole or in part, directly or indirectly, from acts or omissions of Lessee or Lessee's partners, officers, directors, agents, employees, invitees or contractors at or about the Premises after the Commencement Date of this Lease. This indemnification shall require Lessee to reimburse the Port for any diminution in value of the Premises or other adjacent or nearby Port property, caused by Hazardous Substances, including damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, or any other Port property, including damages arising from any adverse impact on marketing of space in or near the Premises, including other Port property. Notwithstanding the foregoing, Lessee shall not be responsible for, and does not indemnify the Port for, any actions of the Port or Port tenants that cause environmental damage or a violation of Environmental Law on the Premises, nor does Lessee indemnify the Port for any Hazardous Substance Contamination in existence prior to the Commencement Date of this Lease.

7.3 Insurance Requirements. Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage the Port is willing to accept to help insure full performance of all terms and conditions of this Lease. All insurance required by Lessee under this Lease shall meet the following minimum requirements:

7.3.1 Certificates and Notice of Cancellation. On or before the Commencement Date and thereafter during the Lease Term, Lessee shall provide the Port with current certificates of insurance establishing the existence of all insurance policies required under this Section. No insurance policy may be canceled, materially revised or non-renewed without at least thirty (30) days prior written notice being given to the Port. Insurance must be maintained without any lapse in coverage during the Term of this Lease. Insurance allowed to lapse without Port consent shall be deemed an immediate Event of Default under this Lease. The Port shall also be given certified copies of Lessee's policies of insurance, upon request.

7.3.2 Additional Insured. The Port shall be named as an additional insured in each required liability policy. Such insurance shall not be invalidated by any act, neglect or breach of contract by Lessee.

7.3.3 Primary Coverage. The required policies shall provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance carried by the Port.

7.3.4 Company Ratings. All policies of insurance must be written by companies having an A.M. Best rating of "A" or better, or equivalent. The Port may, upon thirty (30) days

written notice to Lessee, require Lessee to change any carrier whose rating drops below an A rating.

7.4 Required Insurance.

At all times during this Lease, Lessee shall provide and maintain the following types of coverage:

7.4.1 General Liability Insurance. Lessee shall maintain an occurrence form commercial general liability policy (including coverage for broad form contractual liability) for the protection of Lessee and the Port, insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations of Lessee. Such coverage shall name the Port as an additional insured. Coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

7.4.2 Property Insurance. Lessee is responsible to insure all of Lessee's own personal property and trade fixtures, which items shall not be covered by Port insurance. Furthermore, Lessee must at all times carry Fire Legal Liability insurance coverage in an amount not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000).

7.4.3 Automobile Liability Insurance. Lessee shall maintain an occurrence form automobile liability policy insuring Lessee against liability for damage because of bodily injury, death, or damage to property, including loss of use thereof, and occurring in any way related to the use, loading or unloading of Lessee's owned, hired and non-owned vehicles on and around the Premises. Such insurance shall name the Port as an additional insured. Coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence.

7.4.4 Workers' Compensation Insurance. Lessee shall maintain in force Workers' Compensation insurance for all of Lessee's employees, including coverage for Employer's Liability, and, if applicable, Longshore and Harbor Workers' Compensation Act. In lieu of such insurance, Lessee may maintain a self-insurance program meeting the requirements of the State of Oregon and a policy of Excess Workers' Compensation and Employer's Liability.

7.5 Waiver of Subrogation. Except as limited by this Section, the parties hereto waive any right of action that they and/or their insurance carriers might have against the other for loss or damage, to the extent that such loss or damage is covered by any property insurance policy or policies and to the extent that proceeds (which proceeds are free and clear of any interest of third parties) are received by the party claiming the loss or damages. This waiver of subrogation shall not extend to any applicable deductibles under such policy or policies.

7.6 Periodic Review. The Port shall have the right to periodically review the types, limits and terms of insurance coverage. In the event the Port determines that such types, limits,

and/or terms should be changed, the Port will give Lessee a minimum of thirty (30) days notice of such determination and Lessee shall modify its coverage to comply with the new insurance requirements of the Port. Lessee shall also provide the Port with proof of such compliance by giving the Port an updated certificate of insurance within fifteen (15) days.

8- DAMAGE OR DESTRUCTION

8.1 General. In the event the Premises is partially or completely destroyed, the Port shall be under no obligation to repair and reconstruct the Premises, and the Port may terminate this Lease early without liability to Lessee. If the Port does not repair or reconstruct the damaged or destroyed Premises, Lessee may terminate this Lease if such damage or destruction significantly impacts Lessee's use of the Premises as contemplated by this Lease.

9- TERMINATION

9.1 Duties on Termination. Upon termination of the Lease for any reason, Lessee shall surrender the Premises in good, clean condition. Lessee must promptly remove all of its property and any security fencing or devices and repair any damage to the Premises caused by Lessee. All repair for which Lessee is responsible shall be completed prior to termination and surrender.

9.2 Lessee's Personal Property. Title to any items of Lessee's personal property which remain on the Premises after the termination date of this Lease may, at the option of the Port, be automatically taken by the Port, and the Port shall have the option, in its sole discretion, of: (a) retaining any or all of such trade fixtures and other personal property without any requirement to account to Lessee therefor, or (b) removing and disposing of any or all of such trade fixtures and other personal property and recovering the cost thereof, plus interest from the date of expenditure at the Port's then current interest rate, from Lessee upon demand.

9.3 Holding Over. If Lessee holds over after this Lease expires or terminates, Lessee shall be deemed a month-to-month holdover tenant or a tenant at sufferance, at the Port's sole discretion. In the event that this Lease has expired or is otherwise terminated and Lessee holds over after written notice from the Port that Lessee must vacate the Premises, Basic Rent shall be 200% of the amount otherwise determined under Section 3.2. In the event the Port deems Lessee as a tenant at sufferance, the Port shall be entitled to evict Lessee but the Port may still collect a charge for use of the Premises at the rate stated above.

10 - DEFAULT

10.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

10.1.1 Default in Rent. Failure of Lessee to pay any Rent or other amount payable to the Port or to others as provided in this Lease within ten (10) days of the date such payment is due. No notice by the Port that Rent or such other amount is past due shall be required.

10.1.2 Default in Other Covenants. Failure of Lessee to comply with any term, covenant or condition of this Lease (other than the payment of Rent or other amounts) within thirty (30) days after written notice by the Port describing the nature of the default. If the Default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if Lessee begins correction of the Default within the thirty (30) day period and thereafter proceeds in good faith and with reasonable diligence to effect the cure as soon as practical, so long as done to the satisfaction of the Port. Notwithstanding the foregoing, the Port need not give notice for a default of any given Section of this Lease more than twice during the Lease Term, and a failure to perform such type of obligation after the second notice constitutes an Event of Default for which no further notice or opportunity to cure need be given. Furthermore, if any Event of Default threatens to cause serious harm to the Port or other tenants or persons, then the Port shall not be required to serve any notice before proceeding to request immediate injunctive relief. Furthermore, if, in the Port's sole judgment, any event of Default threatens to cause serious harm to the Port or other tenants or persons, or if the Event of Default is related to Section 6 - Environmental Obligations of Lessee, or if Lessee in any way violates the allowed uses set forth in Section 2.1, then the Port may immediately terminate this Lease by giving Lessee written notice that the Lease is terminated as of the date of that notice and no ten (10) day cure period will be allowed.

10.1.3 Insolvency. To the extent permitted by the United States Bankruptcy Code, insolvency of Lessee shall be deemed to include an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee and the receiver is not discharged within thirty (30) days; the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days, shall all constitute an Event of Default hereunder. In these instances, no notice that an Event of Default has occurred shall be required from the Port.

10.2 Remedies on Default. Upon the occurrence of an Event of Default, the Port at its option may terminate the Lease or terminate Lessee's right to possession of the Premises and at any time may exercise any other remedies available under law or equity for such Event of Default. Any notice to terminate may be given before or within the grace period for Default and may be included in a notice of failure of compliance. Without limiting the foregoing, upon the occurrence of an Event of Default, the Port may exercise any or all of the following remedies:

10.2.1 Re-entry. The Port may re-enter the Premises, or any part thereof, by suitable action or proceeding at law, or by force or otherwise, without being liable for indictment, prosecution or damages therefor, and may repossess the Premises and remove any person or property therefrom, to the end that the Port may have, hold and enjoy the Premises.

10.2.2 Rent Recovery. Whether or not the Port retakes possession of the Premises, the Port shall have the right to recover unpaid Rents and all damages caused by the default. Damages shall include, without limitation: all Rents lost; all legal expenses and other

related costs incurred by the Port as a result of Lessee's Default; that portion of any leasing commission paid by the Port as a result of this Lease which can be attributed to the unexpired portion of this Lease; all costs incurred by the Port in restoring the Premises to the same condition as of the Commencement Date, normal wear and tear excepted. .

10.3 Remedies Cumulative and Nonexclusive. Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease or existing at law or in equity, including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by the Port of any such rights or remedies will not preclude the simultaneous or later exercise by the Port of any other such rights or remedies. All such rights and remedies are nonexclusive.

10.4 Termination. The Port may terminate this Lease upon an event of Default by serving Lessee notice that this Lease is terminated after any cure period, as described in Section 10.1.1 or 10.1.2 or 10.1.3, has expired. Even though Lessee has breached this Lease, this Lease shall continue for so long as the Port does not terminate Lessee's right to possession, and the Port may enforce all of its rights and remedies under this Lease, including the right to recover the Rents as they become due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of the Port to protect the Port's interest under this Lease shall not constitute a termination of Lessee's rights to possession unless written notice of termination is given by the Port to Lessee. Any notice to terminate may be given before or within the cure period for Default and may be included in a notice of failure of compliance. No such termination shall prejudice the Port's right to claims for damages for such breach or any other rights and remedies of the Port.

10.5 Curing Lessee's Defaults. If Lessee shall Default in the performance of any of Lessee's obligations under this Lease, the Port, without waiving such Default, may (but shall not be obligated to) perform the same for the account of and at the expense of Lessee, without notice in a case of emergency, and in any other cases, only if such Default continues after the expiration of thirty (30) days from the date the Port gives Lessee notice of the Default. The Port shall not be liable to Lessee for any claim for damages resulting from such action by the Port. Lessee agrees to reimburse the Port upon demand, as Additional Rent, any amounts the Port may spend in complying with the terms of this Lease on behalf of Lessee. The Port shall have the same rights and remedies in the event of the nonpayment of sums due to be reimbursed under this Section as in the case of Default by Lessee in the payment of any other Rent. Any sums to be so reimbursed shall bear interest at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less.

10.6 Default by Port. In the event of any Default by the Port, Lessee's exclusive remedy shall be an action for damages. Prior to being entitled to maintain any such action, Lessee shall give the Port written notice specifying such Default with particularity, and the Port shall have thirty (30) days within which to cure any such Default, or if such Default cannot reasonably be cured within thirty (30) days, the Port shall then have thirty (30) days to commence cure and shall diligently prosecute cure to completion. Unless and until the Port fails to so cure such Default after such notice, Lessee shall not have any remedy or cause of action by reason thereof. All

obligations of the Port hereunder shall be construed as covenants, not conditions, and all such obligations shall be binding upon the Port only during the period of its ownership of the Premises and not thereafter.

11 - ASSIGNMENT, SUBLEASE, MORTGAGE AND TRANSFER

11.1 General Prohibition. This Lease is personal to Lessee. Therefore, no part of the Premises, nor any interest in this Lease, may be assigned, pledged, transferred, mortgaged, or subleased by Lessee, nor may a right of use of any portion of the Premises be conveyed or conferred on any third party by Lessee by any other means.

12 - GENERAL PROVISIONS

12.1 Covenants, Conditions and Restrictions. This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, mortgages, deeds of trust, ground leases, rights of way, and any other matters of record now or hereafter imposed upon the Premises and to any applicable land use or zoning laws or regulations. Lessee shall, upon request of the Port, execute and deliver agreements of subordination in the form requested by the Port.

12.2 Governing Law. This Lease shall be governed and construed according to the laws of the State of Oregon. Venue shall be in Multnomah County.

12.3 No Benefit to Third Parties. The Port and Lessee are the only parties to this Lease and as such are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

12.4 Port Consent. Wherever this Agreement requires the Port's consent or approval, such consent or approval may be given by the Port's Commission, the Executive Director of the Port or the Executive Director's designee. If Lessee requests the Port's consent or approval pursuant to any provision of the Lease and the Port fails or refuses to give such consent, Lessee shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable. Lessee's sole remedy shall be an action for specific performance or injunction, and such remedy shall be available only if the Port has expressly agreed, in writing, not to act unreasonably in withholding its consent or may not unreasonably withhold its consent as a matter of law and the Port has, in fact, acted unreasonably in either of those instances.

12.5 No Implied Warranty. In no event shall any consent, approval, acquiescence, or authorization by the Port be deemed a warranty, representation, or covenant by the Port that the matter approved, consented to, acquiesced in or authorized is appropriate, suitable, practical, safe or in compliance with any applicable law or this Lease. In no event shall the Port be deemed liable therefor. Lessee shall be solely responsible for such matters.

12.6 Notices. All notices required or desired to be given under this Lease shall be in writing and may be delivered by hand delivery or by placement in the U.S. mail, postage prepaid, as certified mail, return receipt requested, addressed to the Port at:

The Port of Portland
P.O. Box 3529
Portland, Oregon 97208-3529
Attn.: Manager, Property and Development

with a copy to:

The Port of Portland
P.O. Box 3529
Portland, Oregon 97208-3529
Attn.: Legal Department

and to Lessee at:

Western Wire Works
P.O. Box 4382
Portland, OR 97208
Attn.: Alan Halamay

Any notice delivered by hand delivery shall be conclusively deemed received by the addressee upon actual delivery; any notice delivered by mail as set forth in this Lease shall be conclusively deemed received by the addressee on the third business day after deposit. The addresses to which notices are to be delivered may be changed by giving notice of such change in accordance with this notice provision.

12.7 Time of the Essence. Time is of the essence in the performance of and adherence to each and every covenant and condition of this Lease.

12.8 Nonwaiver. Waiver by the Port of strict performance of any provision of this Lease shall not be deemed a waiver of or prejudice the Port's right to require strict performance of the same provision in the future or of any other provision.

12.9 Survival. Any covenant or condition (including, but not limited to, indemnification agreements), set forth in this Lease, the full performance of which is not specifically required prior to the expiration or earlier termination of this Lease, and any covenant or condition which by their terms are to survive, shall survive the expiration or earlier termination of this Lease and shall remain fully enforceable thereafter.

12.10 Partial Invalidity. If any provision of this Lease is held to be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected

thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

12.11 No Light or Air Easement. The reduction or elimination of Lessee's light, air, or view will not affect Lessee's obligations under this Lease, nor will it create any liability of the Port to Lessee.

12.12 Lease and Public Contract Laws. To the extent applicable, the contract provisions required by ORS Chapter 279 to be included in public contracts are hereby incorporated by reference and shall become a part of this Lease as if fully set forth in this Lease and shall control in the event of conflict with any provision of this Lease.

12.13 Limitation on Port Liability. The Port shall have no liability to Lessee for loss or damage suffered by Lessee on account of theft or any act of a third party including other tenants. The Port shall only be liable for its willful misconduct or gross negligence and then only to the extent of actual and not consequential damages. The Port shall not be liable for the consequence of admitting by passkey or refusing to admit to the Premises Lessee or any of the Lessee's agents or employees or other persons claiming the right of admittance.

12.14 Headings. The article and section headings contained in this Lease are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease.

12.15 Exhibits Incorporated by Reference. All Exhibits attached to this Lease are incorporated by reference in this Lease for all purposes.

12.16 Modification. This Lease may not be modified except by a writing signed by the parties hereto.

12.17 Brokers. The Port will pay no brokerage commission as a result of or in connection with this Lease. Lessee agrees to pay any brokerage commission that may be payable as a result of this Lease.

12.18 Attorney Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code), is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law. If the Port is required to seek legal assistance to enforce any term of this Lease, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review. Whenever this Lease requires Lessee to defend the Port, it is agreed that such defense shall be by legal counsel acceptable to the Port.

12.19 Entire Agreement. This Lease represents the entire agreement between the Port and Lessee relating to Lessee's leasing of the Premises and shall supersede all previous communications, representations, or agreements, whether verbal or written between the parties hereto with respect to such leasing. It is understood and agreed by Lessee that neither the Port nor the Port's agents or employees have made any representations or promises with respect to this Lease or the making or entry into this Lease, except as in this Lease expressly set forth, and that no claim or liability or cause for termination shall be asserted by Lessee against the Port for, and the Port shall not be liable by reason of, the claimed breach of any representations or promises not expressly stated in this Lease, any other oral agreement with the Port being expressly waived by Lessee.

12.20 Successors. The rights, liabilities and remedies provided for in this Lease shall extend to the heirs, legal representatives, successors and, so far as the terms of this Lease permit, successors and assigns of the parties hereto. The words "Port" and "Lessee" and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms, or corporations which may be or become such parties hereto.

12.21 Execution of Multiple Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one instrument.

12.22 Defined Terms. Capitalized terms shall have the meanings given them in the text of this Lease.

12.23 No Limit on Port's Powers. Nothing in this Lease shall limit, in any way, the power and right of the Port to exercise its governmental rights and powers, including its powers of eminent domain.

IN WITNESS HEREOF, the parties have subscribed their names hereto effective as of the year and date first written above.

LESSEE:

WESTERN WIRE WORKS, INC.

By: _____

Title: _____

President

Printed Name: Zanley F. Galton

THE PORT:

THE PORT OF PORTLAND

By: _____

Executive Director

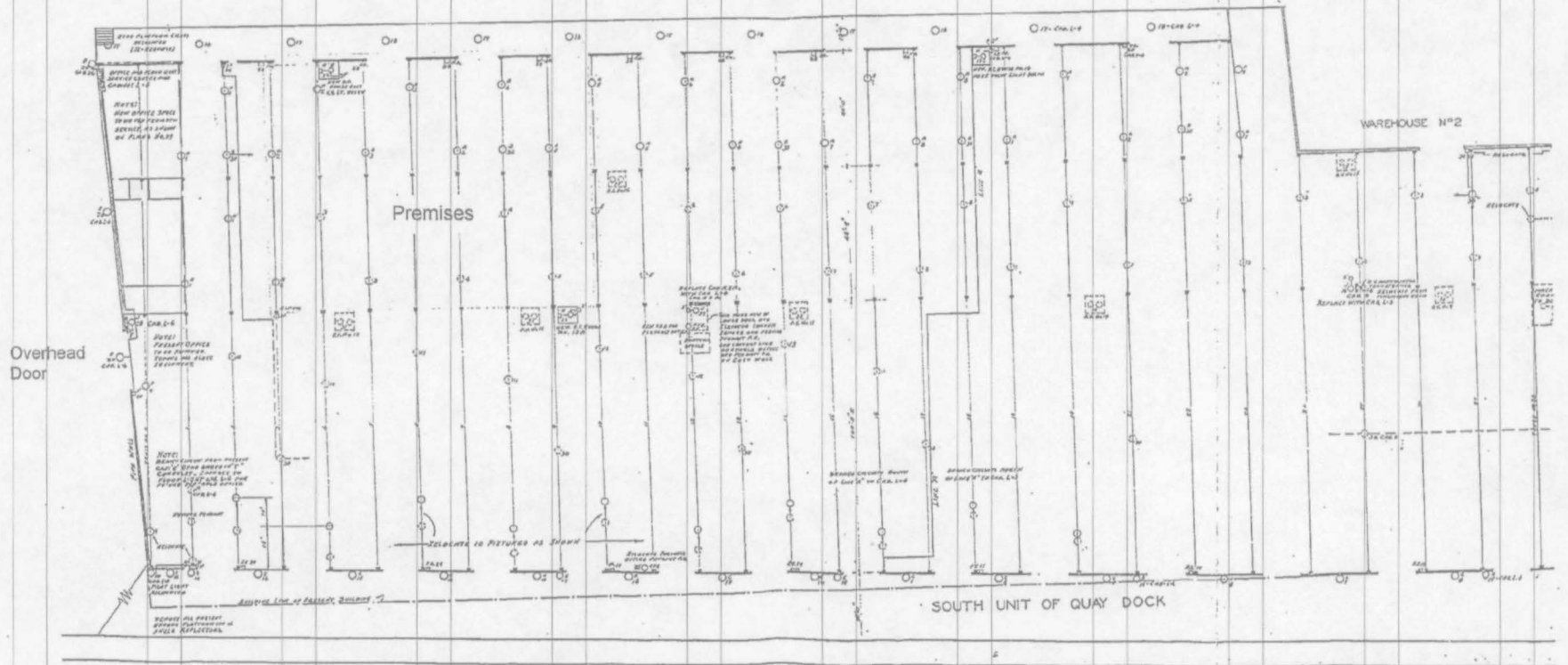
APPROVED FOR LEGAL SUFFICIENCY

Legal Counsel for The Port of Portland

g:\docs\legal\leascs\archive\wirework.doc

NW Front Avenue

House 106



Willamette River

Exhibit A

EXHIBIT B

NOTICE TO PORT OF PORTLAND TENANTS

Dear Tenant:

As you are aware, your agreement with the Port of Portland requires you to pay all property taxes assessed against the property you occupy. The Port of Portland and Multnomah County take this obligation seriously, and will strictly enforce it. If taxes are not paid promptly when due, the Port may pursue remedies for default, including termination of your agreement. Multnomah County may also pursue a collection action for unpaid taxes.

Property tax statements are sent by Multnomah County each November. If you wish to have your property tax statements sent to a different address, please contact the Multnomah County Division of Assessment and Taxation at:

Multnomah County Assessment & Taxation
P.O. Box 2716
Portland, Oregon 97208